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Contact: Nathan White (202)225-5871

Chairman Kucinich Releases Staff Report on Mandatory Arbitration

Review of the Largest Provider of Arbitration for Debt Collection Reveals Law Violation

Washington D.C. (July 21, 2009) – Chairman Dennis Kucinich (D-OH) today released a majority staff report entitled “Arbitration Abuse: an Examination of Claims Files of the National Arbitration Forum,” which examines the nation’s largest provider of arbitration, the National Arbitration Forum, and concludes that there are numerous problems with the organization and its practices, including violations of California law and assisting in the violation of Delaware law.

Arbitration is the process by which disputes are resolved out of court, usually by retired judges or lawyers. Mandatory arbitration occurs when consumers are deprived of their rights to a court trial as the result of boilerplate language in a contract they are required to accept, as a condition of their purchase, or an insert included in their monthly bill. Mandatory arbitration has become a common clause in most consumer contracts and has been severely criticized by consumer advocacy groups.

Chairman Kucinich will hold a Domestic Policy Subcommittee hearing “Arbitration or ‘Arbitrary’: The Misuse of Arbitration to Collect Consumer Debts,” on July 22, 2009 at 2:00 p.m. in Room 2154 of the Rayburn House Office Building. The hearing will evaluate contractually-mandated arbitration of disputes between businesses and consumers in the context in which the vast majority of those disputes occur—the collection of debts from consumers. The hearing will also evaluate whether consumer debt collection arbitration, as currently administered, produces results that are fair and legitimate.

A copy of the full report is attached.

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Documents and Links

- [Domestic Policy Majority Staff Report on Arbitration Abuse](#)